THE LIBYAN ACCOUNTING PROFESSION: HISTORICAL FACTORS AND ECONOMIC CONSEQUENCES

Bubaker Shareia

THE LIBYAN ACCOUNTING PROFESSION: HISTORICAL FACTORS AND ECONOMIC CONSEQUENCES

ABSTRACT

Purpose- The aim of this paper is to trace the historical development of the accounting profession in Libya, in order to identify challenges facing the profession as the country moves from a closed to emerging economy.

Design/methodology/approach- The study is based on a literature review and archival research.

Findings- Accounting information has a vital role to play in the achievement of economic goals in developing and emerging economies, but a well qualified accounting profession is required. In the context of institutional instability and unique cultural factors, the accounting profession in Libya faces educational and legal challenges if it is to achieve its potential in assisting the country to reach its economic goals.

Research Limitation/implications- This study focuses on one country, which does limit its generalisability. However, it also suggests fruitful research areas in considering the impact and challenge of historic factors on the accounting profession in emerging economies.

Practical implications- Centrally planned economies require a body of well trained professional accountants if they are to emerge onto the global economic arena.

Originality/value- Studies on the accounting profession have focused primarily on those in developed economies, where the need for meaningful accounting information for decision making is taken for granted and there is a well trained, professional workforce. This study of the profession in an emerging economy highlights the efforts that will be needed to ensure the contribution of the profession to the economic wellbeing of other emerging economies.

KEYWORDS: accounting profession, developing countries, culture, planned economy, emerging economy

THE LIBYAN ACCOUNTING PROFESSION: HISTORICAL FACTORS AND ECONOMIC CONSEQUENCES

1. INTRODUCTION

In order to develop a globally applicable model of decision making and policy planning which can assist the economic situation of developing or emerging economies, each country needs to establish appropriate accounting systems that can ensure success in a global environment (Derwish and Elghli, 2006). Without an accounting profession capable of instituting such a system, a country's capability for global interaction and controlled planning is undermined and there will be no effective plan, either internally or globally. This issue of developing an appropriately qualified and expert accounting profession is pertinent for nations emerging into the global capital markets arena, particularly with the increasing extent of transnational rather than national professional regulation in the era of globalization (Suddaby et al, 2007; Meyer, 2000; Caramis, 2002).

Libya, a relatively small nation with a population of 6.16 million in 2007 (The World Bank 2010a), is located in the Middle East and North Africa region. It operates under a centrally planned economic model, and with plentiful oil reserves, enjoyed a Gross National Income of $US12,380 per person in 2008, being ranked 67th in the world by The World Bank (The World Bank, 2010b). With the aim of decreasing its dependence on oil revenue and increasing its industrial base, the country is in the process of implementing economic development plans that will assist it in reaching this goal, and in moving into the global capital market arena (Shareia and Irvine, 2009).

This expanded economic activity has become possible with the 2003 lifting of the United Nation's economic sanctions against Libya, the Libyan government's decision to move to a more market based economy (The World Bank, 2006) and, following that decision, further diversification, privatisation and reforms in the banking and financial sector (Organization for Economic Co-operation and Development (OECD), 2008; PriceWaterhouse Coopers, 2010). However, the nation's unique characteristics, including in particular its political and religious[1] agendas, suggest that, in common with other nations emerging into global capital markets, this will not be seamless or complete transition (Cooper et al, 1998; Caramanis, 2002).

[1] Libya is predominantly a Muslim nation, with laws that reflect this faith (The Library of Congress, 1987).

Libya’s income precludes its being classified as a “developing” nation according to World Bank guidelines, but, with its first Stock Exchange operating since 2007 (Libya State, 2006), it could more accurately be categorized as an “emerging” economy. This term has generally been used to describe “the progressive integration of developing (and more recently transition) economies into the network of international financial markets” (Akyüz and Cornford, 1999, p. 2). In recent years, Libya, like many other emerging nations (Libya State, 2006; The World Bank, 2010a), has attempted to enter into the global economy, by moving towards privatisation and the establishment of a stock market, and by embracing the technologies of capitalism and globalization, including accounting, which bring inevitable conflicts with national politics and identity (Cooper et al, 1998). Consequently, it faces challenges in adopting economic policies (including privatization) and regulatory systems prevalent in western nations. These challenges are similar to those experienced by the much less wealthy developing economies (Irvine, 2008).

This transition, however, will pose significant challenges for the country’s accounting profession. In both developing and emerging economies, the establishment of a qualified accounting profession is a crucial factor. Nation-based studies to date, however, have focused primarily on the development of an accounting profession in former European colonies (Annisette, 2000), usually less developed countries (Hopper et al, 2009), rather than in centrally planned economies (Cooper et al, 1998) such as Libya. Furthermore, while there is some research on accounting in Middle Eastern nations[2], there is very limited published research on accounting or the development of accounting in Libya (Bait El-Mal et al, 1973; Bait El-Mal 1990, 1990b; Bakar and Russell, 2003; Derwish and Elghli, 2006), particularly on the Libyan accounting profession (Bengharbia, 1989; El-Sharif, 1980).

This paper addresses that gap, tracing the historical development of the accounting profession in Libya prior to its becoming an emerging economy. This enables an informed explanation of current practice, including the accounting education system, and makes possible the identification of specific challenges the Libyan accounting profession faces in the future if it is to assist Libya in reaching its economic goals. The paper is based on a literature review and archival research.

[2] See Hopper et al, 2009 for a comprehensive review of accounting literature on management accounting in developing nations.

The next section of the paper establishes the need for an appropriately qualified accounting profession by outlining the importance of accounting information in achieving economic development, and identifying ways in which Libya's economy operates differently from those of western, developed economies. Following this, a brief history of Libya's accounting profession is provided in order to contextualise the study. With a focus on developing or emerging nations, factors are then identified that will enhance the development of Libya's accounting profession, and, by extension, the nation's economic development. The paper concludes with a summary of findings, an identification of the limitations of the research and suggestions for further research.

2. THE ECONOMIC IMPORTANCE OF ACCOUNTING AND THE ACCOUNTING PROFESSION

Accounting has an important role to play in the area of government planning and activity. Economic planners need accounting information in order to identify past economic development trends, to carry out feasibility studies and to monitor ongoing economic projects in order to facilitate control and revision of plans (Shareia and Irvine, 2008). Seidler (1967, p. 272) asserted that in this process the potential contribution of accounting has not always been recognized:

> ... this neglect [of the importance of accounting to the economic development process] seems to stem partly from a feeling by economists working in economic development that general accounting concerns only private enterprises. Not only is it assumed that the private sector is capable of satisfying its own needs in this respect, but the extensive role of enterprise accounting in affecting the operations of government and development planning is also ignored.

National economic planning and control are activities that rank high on the agenda of most developing and emerging economies. Even governments of developed countries with free-market economies will normally exercise some degree of control over their economies through monetary and fiscal policies. Consequently, developing countries require an accounting system that supplies information reflecting the economic realities of the country, and which produces information useful in aiding national economic development planning (Mirghani, 1982).

Unreliable or unavailable information hampers the ability of a government to achieve its economic goals since it means that the selection of a development model will not be conceived based on a realistic assessment of the current economic situation and the country's ability to achieve its stated plans (Bait El-Mal, 1990b; Bait El-Mal, 1990a;

Abohbil, 2003; Bait El-Mal, 2003). Information that is sporadic or inconsistent could lead to an economic plan that covers certain sections of the economy rather than others, simply because information is available on that sector (Mirghani, 1982). A dearth of information about the interdependency of the “major economic sectors”, similarly, will lead to an ill-conceived economic development plan, as will a lack of information about “the relative scarcity of resources available for development” and the consequent failure to generate an accurate assessment of the progress being made towards economic goals (Mirghani, 1982, p. 60).

As a result of globalising forces, many developing and emerging countries have adopted the accounting systems of western developed countries with little concern being given to the ability of these systems to create information that is necessary for effective national economic planning (Mir and Rahaman, 2005; Shareia, 2005). Most frequently it has been US/UK. accounting systems which have been adopted, and factors that have been identified in this process include the British Empire, English language, the availability of professional qualifications offered by some of the British professional accounting bodies in overseas countries, and educational exchange and direct aid from the US and U.K (Briston, 1990). Nevertheless, there are powerful arguments to suggest that a system imported from a western nation is unlikely to meet the information needs of developing countries in their quest to pursue economic development goals (Briston, 1990; Baydoun and Willett, 1995; Bloom, Fuglister *et al.*, 1998; Bakar and Russell, 2003). Libya, like any emerging economy, possesses historic and environmental factors that substantially differ from the environmental factors in the developed countries particularly the UK and the US (Bait El-Mal, Smith *et al.*, 1973; El-Sharif, 1978; Kilani, 1988; Bengharbia, 1989; Bait El-Mal, 1990a; Bait El-Mal, 1990b; Kilani, 1990; Bakar, 1998; Kilani, 1998; Bakar and Russell, 2003).

In contrast to developed nations’ economies, Libya is characterized by the following environmental factors:

- heavy dependence on oil revenue in funding various economic activities (Bait El-Mal, 1990a; Organization for Economic Co-operation and Development (OECD), 2008; Ernst and Young, 2010)[3];

[3] While Libya is expanding its manufacturing sector, its economy depends primarily on oil revenue, which represents “practically all export earnings and about one-quarter of GDP” (Ernst & Young, 2010). In 2007, oil and gas accounted for more than 99% of Libya’s export earnings, and 78% of government revenue (OECD, 2008).

- predominance of public sector ownership of economic activities (Bait El-Mal, 1990a);
- inefficiency of economic activities associated with public sector ownership (Bait El-Mal, 1990a);
- continuous intervention on the part of the state in setting up development plans (Bait El-Mal, 1990a);
- ineffectiveness of the accounting profession, professional standards that are poorly regulated under state laws, limited accounting education opportunities (Bait El-Mal, 1990a); and
- a stock exchange that has only been established a short time (Central Bank of Libya, 2006).

There is no doubt that the adoption of the US/UK system, in a situation where very little accounting existed before, would represent an improvement. However, it must be borne in mind that such a system evolved in a westernised social, political and economic environment, and that it may well need considerable adaptation to meet the needs of a particular country (Needles, 1976). The UK and the US, in contrast to nations such as Libya, are characterized by the following factors:

- active economic activities across all sectors;
- predominance of private sector ownership of these activities;
- economic efficiency associated with competition and private ownership;
- limited state interference;
- a well established accounting profession regulated by professional organizations and authorities, including an appropriate accounting education system.
- the operation of established, active stock markets, which play a vital role in funding economic activities (Central Bank of Libya, 2006).

In situations where the bulk of investment in an economy is in public sector companies, then very different criteria of measurement need to be developed. Libya's political and economic system is dramatically different from that of the US or UK, so that its economic management objectives are also markedly different. Like any other emerging economy, it is seeking to accomplish economic and social development in a prompt and comprehensive manner, having demonstrated already extensive social, political and economic changes over the last three decades (The Economist Intelligence Unit, 2003).

As a backdrop to all these changes, however, the tribal structure of social relations still plays a key role in the community (Knapp, 1977, p. 178). These have affected the country's plans and objectives profoundly. For example, the employment of workers on the basis of ability and merit is considered to be necessary in order to obtain optimum performance in economic activities. However, Agnaia (1997, p. 120) demonstrated that in Libya many workers in the sector of industrial companies have been assigned on the basis of social relations and nepotism more than on skills, expertise and knowledge. This was certainly a reason for some of the problems which the sector encountered when implementing its plans and accomplishing its objectives (Agnaia, 1996; Agnaia, 1997; Altarhoni, 2003). As well as an inability to perform required tasks, other problems include absenteeism, indifference, failure to abide by appointments, lateness and signing off before the end of the shifts (Agnaia, 1997, p. 121). Agnaia's study confirmed observations made earlier in this chapter that the manner of management and its operations within industrial companies is clearly influenced by many social and cultural factors, reinforcing Needles' (1976) assertion that unique environmental conditions of developing countries need to be taken into account in developing appropriate accounting systems.

Despite these explicit environmental differences between Libya, as an emerging economy, and UK and the US, as developed countries, Libya has adopted UK and US accounting systems. This has meant that to a large extent, accounting principles, auditing standards, accounting education and the institution of an accounting profession have been adopted from outside Libya and applied without a thorough consideration of local environmental factors. This practice is problematic, since it is widely acknowledged that in developing or emerging economies, it is not possible, or even advisable, to impose western accounting systems without an understanding of the unique political, economic, social and religious dynamics of those economies (El-Sharif, 1978; El-Sharif, 1980; El-Sharif, 1981; Bakar and Russell, 2003; Derwish and Elghli, 2006).

The global proliferation of accounting practices from developed nations to emerging economies has been facilitiated by supra-national organizations such as The World Bank, the International Monetary Fund and the Organization for Economic Co-operation and Development (Annisette, 2004; Neu *et al.*, 2006; Neu and Ocampo, 2007; Irvine, 2008). Added to these influences are those of professional, international accounting firms (Cooper et al, 1998), which lend credibility to the accounting profession in developing or emerging economies (Mir and Rahaman, 2005; Irvine, 2008). Three of the Big 4 international accounting firms (Deloitte, 2010; Ernst and

Young, 2010; KPMG, 2010; Pricewaterhouse and Coopers, 2010)[4] have established a presence in Libya since its economy has opened up, a development that will drive Libya's accounting profession further towards a western model, typified by the UK/US influence already identified.

Scholarly literature on the establishment of the accounting profession in developing or emerging economies has mostly focused on globalizing factors (Arnold, 2005; Arnold and Sikka, 2001; Irvine, 2008; Cooper et al, 1998), the implications of transnational regulation for national regulators (Arnold, 2005; Suddaby et al, 2007; Meyer, 2000; Caramis, 2002), or issues of imperialism and race (Annisette, 1999; Annisette, 2000; Chua and Poullaos, 1998; Poullaos, 2009), even identifying globalization as the new imperialism (Cooper et al, 1998; Annisette, 2000). The site of studies on accounting and the accounting profession in developing or emerging nations has been primarily former European colonies (Udin and Hopper, 2003; Wickramasinghe and Hopper, 2005; Alam and Lawrence, 1994; Alam, 1997; Susela, 1999; Senarath Yapa, 1999; Poullaos, 1999; Annisette 2000; Hoque and Hopper, 1994; Hopper et al, 2009; Marwata, 2006) rather than on centrally planned or formerly centrally planned economies (Cooper et al, 1998).

Consequently, whatever the nature of the economy, the approach to accounting should be broadened, to take into account these different objectives, but even more importantly, to have regard to the fact that scarce accountancy skills may well make a stronger contribution if they are directed towards information for decision-making, internal audit, and performance measurement, rather than being aimed at the external audit of activities which have already been completed. In order to optimise the contribution relevant and reliable accounting information can make to a country's economic development, its accounting profession must be well trained, organized, and valued. A study of historical factors that have impacted Libya's accounting profession indicates that is not the case.

---

[4] Ernst & Young (2010), Pricewaterhouse Coopers (2010) and Deloitte (2010) have all established a presence in Libya. The only Big 4 accounting firm not to have a documented presence there is KPMG (2010).

3. A HISTORY OF THE ACCOUNTING PROFESSION IN LIBYA

By any cultural paradigm, it must be acknowledged that Libya, as a Middle Eastern Arab nation, has unique factors that have affected its accounting profession[5]. The UK and US-influenced Libyan accounting profession (Kilani, 1988) is not well developed (El-Sharif, 1980; Bengharbia, 1989; Selway, 2000), reinforcing the cultural problems associated with the adoption of imported systems. For example, the UK and the US are individualistic societies with low levels of uncertainty avoidance, whereas Libya is a collectivist society where levels of uncertainty avoidance are expected to be high (Bakar and Russell, 2003). Therefore, it is expected that Libyan companies' accounting systems and Libyan accountants may not provide the information needed by its socialist government for macro-economic purposes.

No records are available to show precisely how and when the accounting profession was first established in Libya. Since the early 1950s, it has been significantly influenced by the Libyan education system, the teaching of accounting academics, the preferences of international companies, the expertise of international accounting firms and to some extent, the rapid changes in the Libyan social, economic, political and legal environment. Accounting became a popular course of study from 1957, when the Faculty of Economics and Commerce was established at Garyounis University in Libya. Professional bodies and universities in the UK and the US were the main sources of influence, providing accountancy education and training for Libyan students (Bakar and Russell, 2003). The preference for the US occurred because many Libyan students completed their studies in American universities during the 1970s (Kilani, 1988, P. 175), because the US was also an economic power and a leader in accounting practice and education, and because Libya had a good relationship with the US at that time.

Therefore, compared with the western accounting profession, which has existed for more than a century, the Libyan Accountants and Auditors Association (LAAA) is quite

---

5 According to Hofstede’s (1984) country classification, Libya has high levels of power distance and uncertainty avoidance. The Global Leadership and Organizational Behavior Effectiveness Research Program (GLOBE) built on the work of Hofstede and others, and identified nine cultural factors in 61 cultures (House et al, 2002). While Libya was not specifically studied, findings from Middle Eastern Arab countries revealed that culturally they were “highly group-oriented, hierarchical, masculine, and low on future orientation” (Kabaskar and Bodul, 2002, p. 40). It is not within the scope of this paper to provide a detailed analysis of Libya’s culture, but rather to acknowledge it as a powerful influence on the development of the Libyan accounting profession.

young, established in 1973[6]. It is only 37 years since the" Certified Public Accountant CPA system was introduced officially by Law No. 116 of 1973 (Libya State, 1974). After this date the profession became more formally organized.

Despite the LAAA being established more than three decades ago, it has done nothing to build any professional theoretical basis of principles or practice for accounting as a profession in Libya and has not established a Code of Ethics for members to abide by (Bakar and Russell, 2003). Rather, it has simply followed government regulatory requirements relating to accounting practice. This suggests that the LAAA has failed to regulate itself and to recognize its obligation towards the public interest. Furthermore, it has not achieved the objective of furthering activities such as research, conferences, and seminars, a continuing education and training programme or of promoting accounting publications to improve the status of the profession and accordingly of its members (Shareia, 1994). All these factors contribute to the current very weak status of the Libyan accounting profession.

The LAAA specifies no uniform audit report requirements and no professional examination requirements, basing its practices mainly on members' accounting university education (Kilani, 1988, p. 243). The definition and the objectives of the accounting profession in Libya are the same as those in the UK and the US (Kilani, 1988, p. 255), however, the environmental factors of Libya are significantly different from those of the UK or the U.S, as already highlighted. Currently, the accounting profession in Libya confines itself to external financial reporting and external auditing (Bait El-Mal, Smith *et al*., 1973; El-Sharif, 1978; Kilani, 1988; Bakar, 1998).

The LAAA was established in 1973 and its objectives, rules and regulations were codified in the Accountants' Act 1973, which created the Board of Public Accountants to monitor the public accounting profession. The entry qualifications of its members are prescribed in the Act. The board is responsible for registering public accountants, maintaining a register of public accountants, determining the qualifications of persons

---

[6] The LAAA is not the only professional accounting body in Libya. There is also the Government organization, the General People's Committee for Auditing and Control. This organization is responsible for auditing the public sector whereas LAAA is responsible for auditing the private sector. Also, sometimes government organizations employ private sector auditors to audit their financial statements. This happens, for example, when the Government organization does not have the capacity to do this work.

for registration as public accountants, ensuring adherence to the ethical codes of conduct and disciplinary matters. To qualify as a public accountant, section (24) of the Accountants Act specifies various requirements of the applicant, including that he or she should be a Libyan citizen of good character and reputation, with at least a Bachelor of Accounting degree, and having passed any requirements recognized by the Board of Public Accountants (Libya State, 1974). Other qualifications are also recognized by the Board, such as a PhD in accounting or auditing from any university of good standing in Libya or outside of Libya. These qualifications include certification from The Institute of Chartered Accountants in England and Wales or The American Institute of Certified Public Accountants, which reinforce the UK/US influence on the Libyan accounting profession, and once again illustrate the imposition of western influences. The consequence of the Board's requirements indicate that rather than being a self determining and self regulating profession, the Libyan accounting profession is dominated by the State.

In order to gain admission to the LAAA, applicants should have between three and five years of relevant practical training, depending on whether the training is structured or unstructured. Structured practical training means experience gained under an approved principal in a public accountant's office or in any organization in the public sector or industry and commerce. With the enactment of the Accountants' Act 1973, all members of the profession are called "Certified Public Accountant".

Regulating financial practices is usually accomplished either through a legally constituted public body to which the responsibility for implementing, monitoring and enforcing accounting standards is given or through a voluntary approach which relies on self-regulation (Bait El-Mal, 1990b). Of the two approaches to regulating the accounting profession, professional self-regulation or statutory control (Okike, 2004), Libyan has adopted statutory control, with the accounting profession governed by Libyan Commercial and Financial Laws. Theoretically, LAAA is responsible for establishing and monitoring accounting standards and practices in Libya (Accounting Profession Law no 116 of 1973), but practically it has failed to issue and implement Libyan accounting standards (Derwish and Elghli, 2006). The weakness of the Libyan Accountants Union has led the State's being the sole accounting regulating authority. In fact, public bodies such as the Public Control Office have taken advantage of the absence of an effective accounting association to instruct and demand companies to follow certain accounting procedures (Bengharbia, 1989; Bait El-Mal, 1990b; Kilani, 1990).

The Libyan accounting profession was influenced for decades by international colonisation and international businesses prior to the move towards a centrally planned economy and the recent emergence and encouragement of establishing private businesses (Bakar, 1998). An accounting education system, like any discipline, consists of students, academic staff, curriculum, and resources (library, computers, facilities, financial resources, innovations, and technology) that are ideally associated harmoniously and efficiently to meet the education needs of a given society (Bakar, 1998). Additionally, the accounting education system itself is a factor of the wider education system of the country it serves. The education system is affected by and also affects the social, economical, political, and cultural environments of the country in which it operates. Consequently, an education system should be designed to meet overall national needs (Bakar and Russell, 2003).

4. CHALLENGES FACING THE LIBYAN ACCOUNTING PROFESSION

Educational and research challenges

Accounting in developing and emerging countries has been, and still is, an expansion of accounting in the western world, which in its part was the product of the colonial period and the power of foreign investors, or of the effect of multi-national companies, foreign aid and, finally, through western education. Perhaps the clearest example of that is this observation by one accounting academic:

> the accounting principles of state (A) have not been shifted and applied in state (B) through study and persuasion on the significance of those principles, but have been shifted and applied in state (B) when these conditions have been satisfied:
>
> There is no institution in state (B), which takes an interest in issuing the appropriate accounting principles for state (B), and subsequently investors were capable of imposing their requirements from the accounting principles. Therefore, these countries could not find a way to escape the acceptance of these imported principles and trying to get adapted to them (Bait El-Mal, 1990a, p. 31, citing Wilkinson, 1975).

Affirming what has been said, we find that a state like Indonesia, due to several factors such as the presence of multi-national companies, international aid, accounting firms and language, has adopted imported educational techniques. Consequently, the accounting profession in Indonesia, for example, became Dutch in its requirements, but American in training and philosophy. Undoubtedly, this situation does not suit a country like Indonesia, which has a developing capital market and regulatory system, as well as a large public sector. In spite of these developments, its economic and cultural circumstances are utterly different from those found in the Netherlands and the US (Bait El-Mal, 1990a; Sukoharsono and Gaffikin, 1993; Marwata, 2006; Silaen and Smark, 2006). In a similar way, the Libyan situation differs from the environments in which the imported UK and US systems have been developed.

Among those factors responsible for this situation in developing countries in general are the existing accounting education systems. Economic development requires changes in the predominant accounting education system in order to create an attitude that recognizes a vital need for change in the curricula and the methods of accounting education capable of engendering scientific, critical enquiry and a willing attitude to understand its changing surroundings (Bakar and Russell, 2003). Also, the accounting education system must be amended so as to serve development needs by the creation of skills and the development of technical and organizational capacities, which national economic development plans need. In order for economic development plans to be successful, there should be adequate numbers of administrative and organizational skilled personnel. One of the main problems encountered in the development process in developing and emerging countries, accompanied by criticism of the misuse of resources[7], is the mismanagement in these countries (Mohidin, 1972; Badran, 1985; Agnaia, 1996; Agnaia, 1997). The accounting profession has a contribution to make in these situations by providing accurate and reliable financial information in order to enhance the management of individual organizations, and thereby, the country's development plans.

It is clear that poorly developed accounting education policies and the dearth of academic research in this field, are incompatible with the economic development requirements of developing countries in general, and in the Arab world and Libya, in particular. This incompatibility between economic development requirements and accounting education policy and academic research is due to the deficiencies in the role of accountants and educators. The role of these professions is crucial in accelerating economic development and subsequently the extent of response of the accounting education structure regarding anticipated change in the national economy. This is an issue which will hold university management responsible for the status of the university

[7] In the Nigerian context, accountants, influenced by cultural factors, needed to equip their members to work against endemic corruption (Okike, 2004).

in regard to serving the community. Therefore, Arab thought must define the development of the contemporary Arab university structure, on one hand, and formulate the relation between that structure and Arab economic components, on the other hand (Bait El-Mal, 1990a).

Both accounting education and academic research are decisive factors in the process of economic development and what demonstrates that is the return to historical analysis associated with the role of education in economic development (Ndzinge and Briston, 1999). Additionally, early manufacturing industries in the western world were influenced by and associated with education and the spread of scientific knowledge (Bait El-Mal, 1990a; Bakar and Russell, 2003; Derwish and Elghli, 2006). Very often university curricula with their special fields and levels are associated with the nature of the development phase of a national economy. From this angle it is vital to look at accounting education and scientific research in the Arab world in relation to the national economy so as to be able to provide multi-dimensional requirements.

Education and research activity in any society is an economic activity with its own costs and resources, and every time the development phase progresses, the expansion in scientific research and transmission through universities and higher and intermediate institutes all require additional capital to meet that expected expansion. Development variables clearly rely on the contributions of continuous research, though the decline in the contribution of expenditure on Arab research in economic development, has led to the failure of this field fulfilling the role it was commissioned to do (Bait El-Mal, 1990a).

The typical retardation in some academic research areas is not due to the structure of the Arab scientific mind inasmuch as it is due to the variables and circumstances surrounding Arab academic research institutions. These circumstances, in combination, have led to the immigration of some highly skilled Arabs: 50% of immigrants were doctors, 23% engineers, and 15% researchers in applied sciences in the Arab world in 1976 (Badran, 1985). It is well known that highly skilled people build up a typical structure for advanced economies but the Arab academic research system and associated paradoxes collectively do not provide a motivation for applied academic research. Among the first of these obstacles is the lack of attention paid to the relative capacity of skilled Arab people regarding their creative ability in scientific and other academic research and the frequency of their attendance at specialized academic conferences.

Lastly, and most importantly, is the fact that research is a marginal issue in the field of Arab expenditure. A report from the United Nations Educational, Scientific and Cultural Organisation has indicated that the former Soviet Union allocated approximately 4.76% of its national income for academic research, while the rate for the US was approximately 2.23%, and in Africa, with the exception of the Arab states, this expenditure was 0.36%. In the Arab world the rate in 1980 was as low as 0.27% (Altinner, 1988).

Finally, the objective connection between the national economy and accounting education structure and scientific research is necessary so as to have no partition between development and updating on one hand, and implementation and production on the other hand. There should be no future deficiency on the part of one or both aspects in order to create the required economic development. A study conducted in 1985 affirmed this (Bait El-Mal, 1990a, p. 34). It defined the main problems of scientific practice and accounting education in developed countries, and clarified that the most important of these problems were largely due to accounting education. The following were identified as the most significant of these problems:

- shortage of skilled accountants at all levels and in all accounting fields;
- accounting information can either be unavailable, not made available as it should be or be made available but late;
- accounting information has not been sufficiently used for internal administration purposes;
- lack of financial reports and appropriate auditing standards;
- lack and deficiency of national accounting systems;
- lack of appropriate accounting within the state's authorities and public companies;
- lack of legislation associated with accounting and standard and auditing measures;
- the use of the accounting firm primarily to help companies to evade paying income tax and to fabricate financial lists;
- the attempt made by some accountants to apply imported concepts and principles from developed countries regardless of their suitability for local circumstances and urgent needs;
- incompatibility of educational standards in the teaching of accounting subjects in colleges and institutes;
- shortage of accounting books and other references in colleges and institutes; and

- shortage of qualified lecturers in colleges and institutes (Bait El-Mal, 1990a; Bakar and Russell, 2003; Derwish and Elghli, 2006).

Legal challenges

Libyan mercantile law and income tax law are considered to be the most important legal factors that influence the regulation of accounting practices in Libya. Libyan Commercial law was enacted in 1953 (El-Sharif, 1981), and included regulations concerning business activities performed by any person, whatever his or her legal status. It covered the rules executed on traders (first Article 1/P) (Libya State, 1970), which bound every trader to abide by regular daily bookkeeping, inventory and budget at a minimum level (Article 58) (Libya State, 1970), and to keep special files for correspondence and dialogues relevant to trade affairs (Article 59) (Libya State, 1970). A system of formal measures and objective conditions, designed to guarantee the consistency of these records, it specifies particularly detailed rules about the keeping of accounts, the preparation of Balance Sheets and Profit and Loss calculations, and other documents that must be submitted to the trade register bureau (Libya State, 1970). Specifically, Libyan commercial law clarifies many detailed rules about estimating the assets, establishing the legal reserve, increasing and decreasing the invested capital and distributing profit.

The commercial law also stipulates the necessity of appointing auditors (Article 550) (Libya State, 1970) to monitor the company's administration and ensure sound progress of the company's activities in accordance with the law. Article 553 of commercial law details the duties of the auditing board (Article 553) (Libya State, 1970). The law binds the auditor to submit a report to the general assembly on the outcomes of the fiscal year activities indicating his view regarding the progress of the company's work in addition to the authenticity and the confirmation of its budget and accounts (Article 580) (Libya State, 1970). The law does not specify what this report should include, nor does it deal with the formality that should be included in this report.

The Act concerning the emergence of Libya's Financial System Law (FSL) (Libya State, 1967) first came into practice in 1967. According to Article 1 of the FSL, this law allows the Secretary of Treasury to control the State Budget and plan for future expenditure. In order to do this, the Secretary of Treasury selects a Finance Controller for every institution, and organisation. The role of this controller is to prepare a report of the policies in the institutions and give it to the Secretary of Treasury. A copy of their report is sent to the related secretariat, organisation and institution based on the principle that "the Treasury should be wherever the public money is" Kilani (1998, p. 213). Consequently, the Secretary of Treasury has been involved in all publicly held organisations, prescribing the kinds of accounting information that are required. Generally, all the administration processes of the budgets are the same. Based on Article 6, every budget has two sections: revenue and expenditure (Libya State, 1967). The expenditure section itself has three divisions: wages, general expenses and new projects. Furthermore, Article 23 of the FSL (Libya State, 1967) requires the Secretary of Treasury to prepare an annual report for the Public Control Office, including detailed information of the State's budgets and expenses. It also calls for a record of improvement, debt or any emergency accounts as well as trust. Thus the practice of accounting at organizational level is closely controlled and monitored by the government.

The income tax law that was applied in Libya during the period from 1923 to 1968, was the Italian income tax law (El-Sharif, 1981). However, following the undertaking of some necessary amendments to suit local circumstances, a new income tax law was issued for the first time in Libya in 1968 (Central Bank of Libya, 1971; Central Bank of Libya, 1977, p. 154). In 1973, this law was replaced by Income Tax Law No. 64 (Libya State, 1973), which has had a direct impact on accounting practices in Libya, and has been used by many companies for the purpose of setting up external financial reports. Once again, accounting practices are specifically mandated. Libyan income tax law does not differentiate between income tax from ordinary activities and income tax from unusual activities (Shareia and Buferna, 2001), whether this income is a product of an activity sale or any of the activity's material or non-material assets (Article 65). Amendments to the 1973 income tax law have been significant. With the introduction of Income Tax Law No 11 in 2004, there are now allowances for those with high incomes (Libya State, 2004), an encouragement to the private sector to make more profit and thus contribute to Libyan development plans. This change has the potential to affect the practice of accounting, and the accounting profession, as a greater emphasis is placed on private activity for profit making, which will necessitate the development of different kinds of accounting information systems.

Accounting practice in Libya is thus controlled by various laws which specify in great detail the requirements set out by the Government to achieve its goals, and by the oversight of the accounting professional bodies, also strongly influenced by the State. When these are added to Libya's particular political and social dynamics, the effect on the accounting profession is that of constraint, i.e. a limitation on the perceived role of accounting, and consequently on the appreciation of the need for a well qualified, robust accounting profession.

5. CONCLUSION

This paper has identified the impact of Libya's unique legal, economic, political, religious, social and cultural systems on the development of its accounting profession in this country, and, by extension, on the way accounting is practised. Accounting is an information system that is vital in the proper management of any modern economy, for no significant level of economic activity is sustainable without a formal system of accounting. While accounting clearly has a role to play in economic development, as with any other information system, its usefulness depends on its ability to generate reliable and relevant information for decision-making. The production of accounting information is therefore important because progress in the field of production and the conveyance of this information become vital elements for economic development objectives in developed countries and developing countries alike. As Libya is a centrally planned, politically ideologically driven country, its accounting systems and accounting profession have not been developed autonomously, but rather in response to government requirements. However, since Libya anticipates the accomplishment of economic development, it is necessary to devote attention to accounting systems which set up and provide accounting information. The development of a well educated accounting profession is an indispensable part of this process.

As nations differ in terms of these environmental factors, so too do their financial and economic information needs. Just as it is important to raise questions about the relevance of imported western systems of accounting to the information needs of developing countries, it is important to understand and reflect on those influences on the development of the accounting profession in emerging nations. A well trained professional accounting body that understands national conditions will be in the best position to institute the kinds of accounting systems that will best serve the country's economic development plans. Currently, this is not the case in Libya, with limited appreciation of the contribution accounting can make to development needs, and the presence of factors that restrict the effectiveness and potential of the accounting profession. As Libya proceeds with developing its economy, the need for a well trained professional accounting workforce will become even more acute.

While the focus of this paper is on Libya, its findings are relevant to other developing and emerging economies, particularly as the globalising practices of capital markets and the introduction of international financial reporting standards are taken up. Future research opportunities abound in relation to accounting issues that are becoming evident as planned or formerly planned economies embrace new systems and emerge into global capital markets. Studies that employ globalisation or post colonial theoretical frameworks to analyse these changes will also produce useful insights.

In order to construct a system which will encourage accounting to achieve its potential contribution to economic development, it will be necessary for emerging economies to develop a system which is relevant to their economic, social, political and legal environment and then to provide a suitable education, training and professional environment in order to ensure its successful implementation.

References

Abohbil, A. (2003). Oil revenues and development Libyan Economic Forum and The Aversion of Oil Revenues (Future Vision), Sirt, Libya Libyan Economic Forum.

Agnaia, A. A. (1996). "Assessment of management training needs and selection for training: the case of Libyan companies." *International Journal of Manpower* 17(3): 31-51.

Agnaia, A. A. (1997). "Management Training and Development within Its Environment: The Case of Libyan Industrial Companies." *Journal of European Industrial Training* 21(3): 117-123.

Akyüz, Y. and Cornford, A. (1999), "Capital flows to developing countries and the reform of the international financial system", United Nations Conference on Trade and Development (UNCTAD) Discussion Paper No. 143, November, available at http://www.unctad.org/en/docs/dp_143.en.pdf (accessed 7 May 2010).

Alam, M. (1997), "Budgetary process in uncertain contexts: a study of state owned enterprises in Bangladesh", *Management Accounting Research,* Vol. 8, No. 2, pp. 147 - 167.

Alam, M. and Lawrence, S. (1994), "Institutional aspects of budgetary processes: a case study in a developoing country", *Asian Review of Accounting***,** Vol. 2, No. 1, pp. 45 - 62.

Altarhoni, A. (2003). "The Factors of Employment in Industrial sector." *Journal of Economic Research* 14(1): 137-176.

Altinner, M. (1988). "The Authority and the Preparation of Research in Arabic World." *Alfikr Alarabi* 53.

Annisette, M. (1999), "Importing accounting: the case of Trinidad and Tobago", *Accounting, Business & Financial History,* vol. 9, pp. 103 - 133.

Annisette, M. (2000), "Imperialism and the professions: the education and certification of accountants in Trinidad and Tobago", *Accounting, Organizations and Society,* Vol. 25, pp. 631 - 659.

Annisette, M. (2004), "The true nature of the World Bank", *Critical Perspectives on Accounting,* Vol. 15, pp. 303 - 323.

Arnold, P. (2005). "Disciplining domestic regulation: the World Trade Organization and the market for professional services", *Accounting, Organizations and Society,* Vol. 31, No. 4, pp. 299 - 330.

Arnold, P. and Sikka, P. (2001). "Globalization and the state-profession relationship: the case of the Bank of Credit and Commerce International", *Accounting, Organizations and Society,* Vol. 26, pp. 475 - 499.

Badran, A. (1985). *The role of Higher Education and Research Centers in prepare the Arabian People to Scientific Prove*. Beirut, Derassat Alwahda Alarabia.

Bait El-Mal, A. (2003). "Evaluation of Goals and Development Plan in Libya." *Journal of Economic Research* 14(1): 208-243.

Bait El-Mal, M., C. H. Smith, et al. (1973). "The Development of Accounting in Libya." *The International Journal of Accounting, Education and Research* 8(2): 83-101.

Bait El-Mal, M. A. (1990a). "The Significance and Advancement of Accounting Information for Economic Development." *Journal of Economic Research* 2(2): 25-36.

Bait El-Mal, M. A. (1990b). "Survey and Evaluation of the Accounting Principles Applied in Libya." *Journal of Economic Research, National Academy of Scientific Research: The Economic Research Centre, Benghazi* 2(1): 14-26.

Bakar, M. (1998). Accounting and the Developments Economic Development of Oil and Gas in Libya. *Department of Accounting*. Dundee, University of Dundee, Scotland. Unpublished PhD Thesis.

Bakar, M. and A. Russell (2003). *The development of Accounting Education and Practice in Libya*. *Research in Accounting in Emerging Economies*. R. S. O. Wallace, J. M. Samuels, R. J. Briston and S. M. Saudagaran. Oxford, Elsevier Science 5**:** 197-236.

Baydoun, N. and R. Willett (1995). "Cultural Relevance of Western Accounting Systems to Developing Countries " *Abacus* 31(1): 67- 92.

Bengharbia, S. (1989). "Auditing and profession ethics in Libya." *Journal of Economic Research, National Institute for Scientific Research: The Economic Research Center, Benghazi* 1(1): 117-126. ***

Bloom, R., J. Fuglister, et al. (1998). "The State of Accounting in Armenia: A Case " *The International Journal of Accounting* 33(5): 633-654.

Briston, R. J. (1990). *Accounting in Developing Countries: Indonesia and the Solomon Islands as Case Studies for Regional Cooperation*. *Research in Third World Accounting*. R. S. O. Wallace, J. M. Samuels and R. J. Briston. London, JAI 1**:** 195-216.

Caramis, C. v. (2002). "The interplay between professional groups, the state and supranational agents: Pax Americana in the age of 'globalisation'", *Accounting, Organizations & Society,* Vol. 27, pp. 379 - 408.`

Central Bank of Libya (1971). Economic Bulletin. Tripoli, Central Bank of Libya.

Central Bank of Libya (1977). Economic Bulletin. Tripoli, Central Bank of Libya.

Central Bank of Libya. (2006). "*Articles of association of the Libyan financial securities market*." *56/2006,* from http://www.cbl.gov.ly/en/search/index.php?textfield=stock+market&Submit=Search&charset=charset%3Diso-8859-1.

Chua, W. F. and Poullaos, C. (1998), "the dynamics of 'closure' amidst the construction of market, profession, empire and nationhood: a historical analysis of an Australian accounting association, 1886 - 1903", *Accounting, Organizations and Society,* Vol. 23, pp. 155 - 187.

Cooper, D. J., Greenwood, R., Hinings, B. and Brown, J. L. (1998), "Globalization and nationalism in a multinational accounting firm: the case of opening markets in Eastern Europe", *Accounting, Organizations and Society,* vol. 23, Nos 5/6, pp. 531 - 548.

Deloitte. (2010). "*Service offerings across the Middle East*." Retrieved 3 February 2010, from http://www.deloitte.com/view/en_LB/ib/services/index.htm

Derwish, B. M. A. and A. A. Elghli (2006). "Effecting Factors in Developing Accountancy in Libya." *Dirasat in Economics and Business* 25: 1-11.

El-Sharif, Y. (1978). An empirical investigation of Libyan professional accounting services. *Department of Accounting*. Columbia, University of Missouri. Unpublished PhD thesis.

El-Sharif, Y. (1980). "An Empirical Investigation of Libyan Professional Accounting Services " *Dirasat in Economics and Business* XVI(1,2): 3-11.

El-Sharif, Y. (1981). "The Influence of Legal Environment Upon Accounting in Libya." *Dirasat in Economics and Business* 8(2): 36-44.

Ernst and Young. (2010). "*About us. Libya*." Retrieved 3 February 2010, from http:/www.ey.com/EM/en/About-us/Libya.

Hofstede, G. (1984). *Culture's consequences : international differences in work-related values* Beverly Hills Sage.

Hopper, T., Tsamenyi, M., Uddin, S. and Wickramasinghe, D. (2009), "Management accounting in less developed countries: what is known and needs knowing", *Accounting, Auditing & Accountability Journal,* Vol. 22, No. 3, pp. 469 - 514.

Hoque, Z. and Hopper, T. (1994), "Rationality, accounting and politics: a case study of management control in a Bangladeshi jute mill", *Management Accounting Research,* Vol. 5, No. 5, pp. 5 - 30.

House, R., Javidan, M., Hanges, P. and Dorfman, P. (2002), "Understanding cultures and implicit leadership theories across the globe: an introduction to project GLOBE", *Journal of World Business*, Vol. 37, No. 1, pp. 3 - 10.

Irvine, H. (2008). "The global institutionalization of financial reporting: The case of the United Arab Emirates." *Accounting Forum* 32(2): 125-142.

Kabaskar, H. and Bodur, M. (2002), "Arabic cluster: a bridge between East and West", Journal of World Business, Vol. 37, No. 1, pp. 40 - 54.

Kilani, A. K. (1988). The Evolution and Status of Accounting in Libya. *Department of Accounting*. Hull, University of Hull. Unpublished PhD thesis.

Kilani, A. K. (1990). "The Link Between Accounting and Economic and Social Development Needs in Developing Countries." *Journal of Economic Research, National Academy of Scientific Research: The Economic Research Centre, Benghazi* 2(1): 67-86.

Kilani, A. K. (1998). "The Current and The Future of Financial Performance Reports in Libya." *Journal of Economic Research, National Academy of Scientific Research: The economic Research Centre, Benghazi* 9(1/2): 203-231.

Knapp, W. (1977). *North West Africa: A Political And Economic Survey*. Oxford, Oxford University Press.

KPMG. (2010). "*Global*." Retrieved 3 February 2010, from http://www.kpmg.com/global/en/Pages/default.aspx.

Libya State (1967). Financial System Law Act, Libya.

Libya State (1970). The Commercial Act. *No. 65*, Libya.

Libya State (1973). The Libyan Income Tax Law. *64/73*.

Libya State (1974). The Official Gazette, Law No.116 of 1973 to Organise the Accounting Profession in Libya.**:** 251-268.

Libya State (2004). The Libyan Income Tax Law Act. *No. 11*, Libya. 11/2004.

Libya State. (2006). "*Central Bank of Libya* " Retrieved 17/03/2007, 2007, from http://www.cbl.gov.ly/en/search/index.php?textfield=stock+market&Submit=Search&charset=charset%3Diso-8859-1.

Marwata, M. A. (2006). "The interaction amongst reform drivers in governmental accounting change: The case of Indonesian local Government " *Journal of Accounting & Organizational Change* 2(2): 144-163.

Meyer, J. W. (2000). "Globalization: sources and effects on national states and societies", *International Sociology,* Vol. 15, No. 2, pp. 233 - 248.

Mir, M. Z. and A. S. Rahaman (2005). "The adoption of international accounting standards in Bangladesh, An exploration of rationale and process " *Accounting, Auditing & Accountability Journal* 18(6): 816-841.

Mirghani, M. (1982). "Framework for a Linkage Between Microaccounting and Macroaccounting for the Purposes of Development Planning in Developing Countries." *International Journal of Accounting.* 18(1): 57-68.

Mohidin, A. (1972). *Development and Economic Planning*. Beirut, Dar Alnahtha Alarabia.

Ndzinge, S. and R. J. Briston (1999). *Accounting and Economic Development. Accounting and Development: A special Case for Africa, Research in Accounting in Emerging Economies* R. S. O. Wallace, J. M. Samuels, R. J. Briston and S. M. Saudagaran. Stamford, JAI Press. Supplement 1**:** 29-42.

Needles, B. E. (1976), "Implementing a framework for the international transfer of accounting technology", *The International Journal of Accounting, Vol. 12, No. 1, pp. 45 - 62.*

Neu D, Gomez E O, et al. (2006). "Informing' technologies and the World Bank." *Accounting, Organizations and Society* 31(7): 635-662.

Neu D and Ocampo E (2007). "Doing Missionary Work: The World Bank and the Diffusion of Financial Practices." *Critical Perspectives on Accounting* 18(3): 363-389.

Okike, E. (2004). "Management of crisis, The response of the auditing profession in Nigeria to the challenge to its legitimacy " *Accounting, Auditing & Accountability Journal* 17(5): 705-730

Olowe-Okere, E. (1999), "Management of change in the Nigerian government financial control system: the military factor", *Research in Accounting in Emerging Economies,* vol. 1, pp. 307 - 331.

Organization for Economic Co-operation and Development (OECD). (2008). "*Libya*." Retrieved 3 February 2010, from http://www.oecd.org/dataoecd/12/52/40578167.pdf.

Poullaos, C. (1999), "Introduction: from the East - stories about accountants in Asia", *Accounting, Auditing & Accountability Journal*, Vol. 12, No. 3, pp. 274 - 285.

Poullaos, C. (2009), "Profession, race and empire: keeping the centre pure, 1921 - 1927", *Accounting, Auditing & Accountability Journal*, Vol. 22, No. 3, pp. 429 - 468.

PriceWaterhouse Coopers. (2010). "*Libya*."   Retrieved 3 February 2010, from http://www.pwc.com/m1/en/countries/libya.jhtml.

Seidler, L. J. (1967). *The function of accounting in economic development: Turkey as a case study*. New York, Praeger.

Selway, M. (2000). "Over the hump." *Accountancy* 125(1280): 68-69.

Senarath Yapa, P. W. (1999), "Professional accounting environment in Brunei", *Accounting, Auditing & Accountability Journal*, Vol. 12, No. 3, pp. 328 - 339.

Shareia, B. (1994). Responsibility of the External Auditor in Libya, An Empirical Study *Accounting* Benghazi, University of Garyounis, Libya. Unpublished Masters thesis**:** 126.

Shareia, B. (2005). The Role and Objectives of Accounting Systems in Libya: The Status of the Industry Secretariat. Accounting, Commerce & Finance: The Islamic Perspective Conference, Jakarta, Trisakti University.

Shareia, B. and F. Buferna (2001). The Effect of Changing in Tax legislation upon Government Revenues and Private Sector Activities Taxation System in Libya: Evaluation & Improvement Conference Tripoli; Libya University of Garyounis.

Shareia, B. and H. Irvine (2008). The use of accounting information in the economy of Libya: an historical approach. The 12th World Congress of Accounting Historians, Istanbul- Turkey.

Shareia, B. and H. Irvine (2009). Accounting Information Systems in a Centrally Planned Economy: The Case of the General Company for Pipelines (GCP). The 4th Edition of the Annual Conference Accounting and Management Information Systems, Bucharest – Romania.

Silaen, P. and C. Smark (2006). "The "Culture System" in Dutch Indonesia 1830-1870: How Rawls's Original Position Ethics were Violated " *The Business Review, Cambridge* 6(2): 45-50.

Suddaby, R., Cooper, D. J. and Greenwood, R. (2007). "Transnational regulation of professional services: governance dynamics of field level organizational change", *Accounting, Organizations & Society,* Vol. 32, pp. 333 - 362.

Sukoharsono, E. G. and M. Gaffikin (1993). "The Genesis of Accounting in Indonesia: The Dutch Colonialism in Early 17th Century' " *The Indonesian Journal of Accounting and Business Society* 1(1): 4-26.

Susela, S. D. (1999), "'Interests' and accounting standard setting in Malaysia", *Accounting, Auditing & Accountability Journal,* Vol. 12, No. 3, pp. 358 - 387.

The Economist Intelligence Unit (2003). Country Profile -Libya. London, The Economist Intelligence Unit.

The Library of Congress (1987), "Country Studies. Islam in Revolutionary Libya", available at http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+ly0066) (accessed 7 May 2010).

The World Bank. (2006). "*Libya: development prospects and challenges* " Retrieved 3 February 2010, from http://info.worldbank.org/etools/BSPAN/PresentationView.asp?PID=1848&ELD=869.

The World Bank. (2010a). "*Libya at a glance* " Retrieved 3 February 2010, from http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/LIBYAEXTN/O,,menuPK:410809~pagePK:141132~piPK:141109~theSitePK:410780,00.html.

The World Bank (2010b), "World Development Indicators Database". 19 April, available at http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf (accessed 7 May 2010).

Udin, S. and Hopper, T. (2003), "Accounting for privatisation in Bangladesh: testing World Bank claims", *Critical Perspectives on Accounting*, Vol. 14, No. 7, pp. 739 - 774.

Wickramasinghe, D. and Hopper, T. (2005), "A cultural political economy of management accounting controls: a case study of a textile mill in a traditional Sinhalese village", *Critical Perspectives on Accounting*, Vol. 16, No. 4, pp. 473 - 503. and Hopper.